

REMARKS

Applicant hereby responds to the non-final Office Action of April 10, 2007. As an initial matter, Applicant appreciatively acknowledges the Examiner's consideration of Applicant's earlier submitted claim amendments and remarks of January 21, 2009. In the currently outstanding Office Action, all of pending Claims 1-4 and 8-11 were rejected under new grounds. Specifically, those claims were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Pat. No. 5,713,314 to Payne, et al. (hereinafter "PAYNE"), in view of U.S. Pat. No. 5,794,207 to Walker, et al. (hereinafter "WALKER") and further in view of U.S. Pat. No. 5,415,416 to Scagnelli, et al. (hereinafter "SCAGNELLI"). No other issues were presented.

By the present response, Applicant amends Claim 1 to clarify certain features that are distinguishing over the cited art. For the following reasons, all of pending Claims 1-4 and 8-11 are believed to be in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested.

I. Claim 1 is Patentable Over PAYNE, WALKER and SCAGNELLI

The rejection of Claim 1 was premised on the Office's finding that PAYNE disclosed most of the recited features except for the step of transferring funds to an escrow during pendency of the gaming action and the step of transferring funds from the action account to one of the merchant and the customer. SCAGNELLI was alleged to teach the former, while WALKER was alleged to teach the latter. The Office concluded that it would have been obvious to one of ordinary skill in the art to combine the selected teachings of PAYNE, WALKER, and SCAGNELLI, and apply the same to a gambling service, somehow yielding Applicant's invention as set forth in Claim 1. In so doing, the Office appears to have relied upon the exemplary rationale "A" provided in MPEP §2143 and as set forth by *KSR Int'l. Co. v. Teleflex Inc.*, 82 U.S.P.Q.2d 1385, 1397.

Various factual findings are necessary to properly articulate a *prima facie* case of obviousness under this rationale. Amongst those required are findings that the prior art included each element claimed, that one of ordinary skill in the art could have combined the elements as claimed and that in combination, each element merely performs the same function as it does

separately, and that one of ordinary skill in the art would have recognized that the results of the combination were predictable. *Id.* If any of these findings are lacking, a *prima facie* case of obviousness has not been established.

Without conceding the propriety of the Office's finding that PAYNE teaches the other features of Claim 1, Applicant respectfully submits that PAYNE, WALKER, and SCAGNELLI do not teach at least the features of "querying the prescribed account for availability of merchant funds therein," and "verifying the merchant can cover the wager based upon the amount of available merchant funds in the prescribed account being a predefined ratio to the wager amount" as set forth in currently amended Claim 1.

The present invention is generally directed to a gaming service in which a customer places bets on future events. One aspect contemplates that both the customer and the provider are guaranteed that the other will have sufficient funds to cover a payout/collection. It is respectfully submitted that the required amount of funds is variable dependent upon different contingencies, and therefore represents a substantial departure from the mere availability/unavailability of a product as apparently taught by PAYNE and WALKER. To clarify further the variable nature of funds availability, the verifying step of Claim 1 involves a determination of the ratio between the available merchant funds and the wager amount being a "*predefined ratio*," a feature that is not taught or suggested by PAYNE, WALKER, or SCAGNELLI. Indeed, the verification of the ratio of the merchant's available funds to the wager amount is specific to gaming applications, and would be entirely unnecessary in the product sales systems of PAYNE and WALKER.

Additionally, Applicant respectfully submits that SCAGNELLI does not appear to describe the features for which it is cited. SCAGNELLI is directed to a lottery wagering system where a user places a phone call to a voice responsive unit (VRU), and enters a sequence of numbers to enter into Keno, lottery, and other number-picking games. The user is able to enter a credit card number from which funds can be withdrawn, and the open balance is recorded. (Col. 5, lines 5-7). From the open balance, the amounts for the various bets can be deducted. (Col. 6, lines 14-19). It is respectfully submitted that this open balance does not correspond to the claimed "action account" that is distinct and separate from the claimed "prescribed account." In further detail, the SCAGNELLI system does not contemplate crediting back any winnings to the open balance, as payments are handled separately. Additionally, the management of the open

balance and the subtraction operations are handled entirely by the host. (Col. 6, lines 17-18). Thus, there does not appear to be a separate account in which funds from the user *and* funds from the lottery are deposited for subsequent transfer back to either one of such entities. In other words, the open balance of SCAGNELLI does not correspond to the claimed action account because it lacks certain accompanying features that are recited.

Applicant therefore submits that because at least the foregoing features of querying the prescribed account for availability of merchant funds, verifying the availability of merchant funds based upon its ratio to the wager amount, and transferring funds to an action account are neither taught nor suggested by any combination of PAYNE, WALKER, and SCAGNELLI, a *prima facie* case of obviousness has not been established. Reconsideration and withdrawal of the rejection of Claim 1 is respectfully requested.

II. Claims 2-4 and 8-11 are in Condition for Allowance

As asserted above, Applicant submits that Claim 1 is not rendered obvious by a combination of PAYNE, WALKER and SCAGNELLI. Because Claims 2-4 and 8-11 depend from allowable base Claim 1 and recite additional features, it is submitted that such claims are also allowable. Favorable reconsideration of Claims 2-4 and 8-11 is respectfully requested.

III. Conclusion

On the basis of the foregoing, Applicants respectfully submit that each and every pending claim of the present application meets the requirements for patentability and respectfully requests that the Examiner indicate allowance of Claims 1-4 and 8-11. An early Notice of Allowance is therefore respectfully requested.

If any additional fee is required, please chard Deposit Account No. 19-4330.

Respectfully submitted,

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